

The WTO's 3rd Ministerial Conference, November 30 - December 3, 1999

In May 1998, President Clinton joined other leaders in celebrating the 50th anniversary of the post-World War II trading system. In his speech, he challenged U.S. trading partners to liberalize world trade further on terms better suited to the fast-paced global economy. His address focused on the need to continue to open markets around the world and to further develop the WTO as an institution that is responsive to and responsible for the needs and interests of various constituencies; one that works effectively with other international institutions like the international financial institutions and other international organizations such as the ILO. One option for reaching these goals, favored by most of the WTO's Members in 1999, was to begin a new Round of multilateral trade negotiations at the WTO's 3rd Ministerial Conference.

The United States hosted and chaired the WTO's 3rd Ministerial Conference in Seattle, Washington, from November 30 - December 3, 1999. A total of approximately 3,000 delegates, 2,700 members of the press and 1,500 NGO representatives were accredited to the 1999 Ministerial Conference.

Most WTO Members agreed that the Round to be launched at the Ministerial would consist, at a minimum, of the mandated negotiations to further liberalize trade in services and agriculture, along with other to-be-specified topics. Delegations approached this task with good will but did not reach a consensus on the launch of a new Round.

At various points since the creation of the GATT, governments have made politically difficult choices to serve the greater good. At times, they also have reached deadlocks. Creation of the GATT in 1948, for example, built on a failure to set up an "International Trade Organization" in 1947. The creation of the WTO five years ago followed a failed attempt to launch a Round in 1982, a mid-term breakdown in 1988, and failures to conclude the Round in 1990 and 1992. The more recent negotiations on financial services and telecommunications also broke down in 1996 and 1997, in all cases to be followed by success. In each instance, governments reviewed their positions, and were ultimately able to move the agenda forward.

A preparatory process for the 3rd Ministerial Conference was organized in Geneva. WTO Members agreed on the need to proceed with the mandated negotiations from the built-in agenda. Most also agreed that the negotiations needed to be relatively short and that the scope of the negotiations needed to be broadened beyond the built-in agenda. WTO Members were near consensus on the proper treatment of electronic commerce, the agenda for negotiations on services, and several issues relating to trade and the environment.

Even in the late stages, however, the preparatory process did not narrow the differences between WTO Members on a number of other important issues. These differences contributed to a difficult preparatory process in Geneva. However, the prevailing view at the conclusion of the preparatory process was that once Ministers convened and political decisions were made on the basic features of the negotiations, agreement to launch the Round could be reached. Ultimately, of course, the differences could not be bridged in the preparatory process or in the time available to ministers during the Conference, with divisions on agriculture proving to be the litmus test for broader agreement to launch negotiations.

Major points of disagreement included:

1. Agriculture: The EU, Japan and Korea resisted a commitment to thorough reform of agricultural trade. The built-in agenda negotiations envisioned further reductions in export subsidies, strengthened rules on domestic support, reductions in tariffs and the expansion of market access opportunities for products subject to tariff-rate quotas.

2. Implementation of Existing Agreements: A number of developing countries, including some of the most advanced, requested broad exemptions from previous commitments. Likewise, certain of our trading partners sought to use the debate on implementation to reopen agreements like textiles or antidumping, confusing in some cases the problems with implementation with a more basic dissatisfaction over the results of the Uruguay Round.
3. Market Access: Questions here centered on the breadth of negotiations on market access, whether they could be supplemented with early provisional results as was suggested by the APEC sectoral initiatives in the industrial sector, and to what extent industrial market access would result in improvements in current or existing market access.
4. Investment and Competition Policy: The EU and Japan in particular argued for negotiation of broad new rules in the areas of investment and competition policy, but found relatively little support.
5. Labor: Extensive consultations were held at the Ministerial on various ways to address this issue in the WTO's work program. The United States called for establishment of a Working Group in the WTO; others proposed a broader forum engaging other international organizations such as the ILO.
6. Environment: Broad agreement emerged to confirm sustainable development as a guiding principle for the negotiations, to pursue trade liberalization in areas that hold particular promise for yielding both trade and environmental benefits and to use the Committee on Trade and Environment to identify and consider the environmental implications of the negotiations. Differences emerged however regarding proposals to address subsidies that contribute to over-fishing, and others to modify WTO rules.

The issues outlined above remain to be resolved. With the launch of the built-in agenda negotiations, we will continue to work with our WTO partners in an effort to build consensus toward the launch of a new Round.